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SUBJECT: MANY AMERICANS IN HCMC FEEL THE UNWELCOME PINCH OF
CORRUPTION

11. (SBU) Summary. One leading Ho Chi Minh City developer best summed up the pervasive nature of corruption in Vietnam by declaring to the Consul General, "corruption is in the air that we breathe." A recent informal survey ConGen HCMC conducted found that more than one in five American citizens responding to a simple voluntary survey reported having been asked for an informal payment at some point in Vietnam, whether while doing business, completing paperwork or simply traveling around the country. Corruption and transparency are major issues that directly affect the lives and business interests of Americans in Vietnam. Mission will continue to press interlocutors at all levels on issues of transparency and corruption and more broadly through the strong support of assistance programs like the STAR program. End summary.

12. (SBU) As part of on-going efforts to better understand the wider economic climate, the Consulate General developed a brief survey to provide American citizens with the opportunity to voluntarily and anonymously report whether they had ever been asked to make an informal payment while traveling or conducting business in Vietnam.

13. (SBU) Of 118 completed surveys, 26 (22 percent of respondents) reported requests for informal payments. Those reporting such requests included 21 men and five women who were in Vietnam for a wide range of purposes, including visiting family (14), conducting business (10) and even getting married (4). Seventeen of those who responded positively volunteered that they were ethnically Vietnamese and six said they were Caucasian, while three responded "American." Nearly equal numbers of people aged 21-35 (8), aged 36-50 (10) and aged 50 on up (8) reported having been asked to make an informal payment.

14. (SBU) Two respondents volunteered additional information. One had been asked to make a \$5 payment upon arrival at a Vietnamese airport and another was asked to pay \$300 at a provincial Department of Justice office. Others did not include specific information on the nature of the inappropriate request for payment.

15. (SBU) Comment: Corruption in Vietnam is not an abstract development issue -- our informal survey shows it has directly affected 22 percent of those American citizens who volunteered to complete our survey. From billion-dollar development deals to routine bureaucratic approvals, opportunities to solicit informal payments abound in HCMC. This survey was particularly useful because it provided a snapshot of the "grass roots" corruption that impacts ordinary Americans, including tourists and which is less likely to come to our attention than large, corporate issues. To counter corruption at all levels, Mission

will continue to engage GVN interlocutors at all levels to press for transparency and anti-corruption measures. The USAID-funded Support for Trade Acceleration (STAR) program work on transparency and good governance (including work on the legal system) and State Department programs to support investigative journalism are particularly useful, and should be expanded. Mission will seek to work more closely with the American Chamber of Commerce in Ho Chi Minh City to push forward this critical, shared interest. End comment.

16. (U) This cable was coordinated with Embassy Hanoi.

DICKEY